

**THE SLOVAK REPUBLIC**  
NGO Sustainability Index  
1999

**OVERALL RATING: 2.07**

Slovakia is a country of slightly more than 5,300,000 people, with approximately 75% of the population living in rural areas and small towns. The largest concentration of NGOs is in the Western part of the country, in and around Bratislava, the capital. From a handful of organizations in 1989, the Slovak non-governmental sector has grown to over 27,000 organizations, including NGOs, Civic Associations, Foundations and other non-profit organizations. Of that number, approximately 2,000 NGOs are considered to be active. The largest number of NGOs operates in the field of culture and recreational activities (including sports) humanitarian and charity organizations, and environmental NGOs. The Slovak Academic Information Agency -- Service Center for the Third Sector (SAIS-SCTS) has established a Center for Volunteerism, which reports that public interest in volunteering is increasing. Slovakia's rate of civic participation in the third sector is currently among the highest in the former socialist countries.

The Third Sector in Slovakia has matured dramatically in recent years. It provides a strong example of internal cooperation and advocacy. Its civic education and voter mobilization campaign during the September 1998 elections, OK '98, was highly successful. An IVO poll in October 1998 indicated that 70% of the public was aware of the OK '98 campaign, and gave Slovakian NGOs substantial credit for the successful conduct and outcome of the election.

**LEGAL ENVIRONMENT: 3.5**

The new government, elected in 1998, has brought about a major change in NGO/government relations, and a major change in government attitude toward civil society. NGO law reform is now one of the government's priorities and a number of former NGO leaders now fill government posts. The basic legislative framework for NGOs has been in place since 1997, though these laws which relate to foundations, non-investment funds and public benefit organizations were heavily criticized by both the Slovak NGO community and by the international community. The Ministry of Justice has established a task force to prepare new laws and amendments, and includes the participation of NGO representatives in full partnership. The new laws and/or amendments recommended by the task force were expected to be submitted to the Parliament by the end of calendar year 1999. The willingness of the government to expeditiously make these changes in legislation will test its so far positive relations with the third sector.

There are a number of highly trained lawyers specializing in not-for-profit law, and a number of legal advisory centers have been established to provide legal services to NGOs. The Social Policy Analysis Center has retained lawyers in four of the regional SAIA branch offices to provide legal advice to NGOs on issues of registration and other issues related to compliance and operation under the NGO legal framework. Slovak NGOs are able to register and operate under four existing laws, which vary in their degree of favorability. The "Law on the Association of Citizens" regulates civic associations, and allows for easy registration and operation with no undue restrictions or state control.

The 1996 “Law on Foundations” introduced several bureaucratic and administrative requirements, including minimum basic assets in the amount of approximately \$2,500 a ceiling of 15% on administrative expenses, and a prohibition on entrepreneurial or business activities (foundations are defined as purely grant-making organizations). Both the Law on Non-Investment Funds and the Law on Nonprofit Organizations Providing Beneficial Public Services impose some restrictive requirements on the operation of NGOs registered under these legal forms, such as a cap on administrative expenses and stringent audit requirements for even small organizations. Neither of these legal forms is frequently enforced at this time, but until the new government amends or replaces these laws, they will impede NGO growth and development. The existing tax framework provides limited exemptions under the law. Organizations with more than approximately \$2,500 in income are subject to tax on the entire amount. In November 1999 the Slovak government approved legislation that allows individuals and corporations to assign 1% of their income tax for contribution to an NGO of their choice, effective in 2001.

### **ORGANIZATIONAL CAPACITY: 2.0**

A core group of mature NGOs (approximately 200 – 300) has a clear sense of mission. Many of these mature NGOs are providing assistance and developing umbrella structures to mentor developing groups within their sectors. Community based “village NGOs”, are beginning to establish themselves in rural areas. A nascent community of Roma NGOs is also developing, largely as a result of international donors’ interest.

A recent study by Johns Hopkins University's Comparative Nonprofit Sector Project identified approximately 16,000 full-time employees working in NGOs. This is equal to nearly 1% of employment in Slovakia, and compares to a level of 7% in Western Europe. Approximately 44,000 individuals are employed part-time in the NGO sector. The study also showed that 19% of the population volunteers on a regular basis with NGOs.

Slovak NGOs have a high level of intra and cross-sectoral cooperation through mechanisms such as the Gremium of the Third Sector (the Gremium) and its eight regional Gremia; training organizations such as SAIA-SCTS, Partners for Democratic Change Slovakia (PDCS), the Environmental Training Partnership (ETP); and several umbrella organizations. The Slovak NGO Donors’ Forum has proven to be highly successful in coordinating donor activities. There are currently 37 members of the Donors’ Forum, both domestic and international.

ChangeNet, a civic association established in 1996 to support effective communication and information sharing among NGOs, under a grant from the Civil Society Development Foundation (PHARE) provides standard Internet services to NGOs as an independent Internet server.

NGOs recognize the importance of board development, and SAIA has made board development one of its priorities. SAIA recently published a brochure on board development and provides board development training and technical assistance. Many boards are currently comprised of founders and/or staff, with few having constituents or cross-sectoral representation.

### **FINANCIAL VIABILITY: 3.0**

The NGO sector in Slovakia is still largely dependent upon foreign funding, particularly NGOs working in the areas of democracy and human rights. There is, however, evidence that domestic support for NGOs is on the rise. In 1998, the Ministry of Labor, Social Affairs and Family awarded \$1,450,000 to NGOs. Community foundations are providing small grants in a number of communities. In-kind and cash contributions are common in Slovakia, at both the corporate and

individual levels. NGOs are also developing self-financing opportunities such as the collection of fees and the sale of services.

The Gremium is lobbying the Ministry of Finance for changes in the Income Tax Law including an increase in the percentage of deductible income for businesses and individuals, and greater tax breaks for NGOs on income earned through economic activities for the purpose of carrying out public benefit purposes.

NGOs are exempt from tax on income generated by related activities but are required to pay income tax on non-related income in excess of approximately \$2,500 per year. NGOs do pay value-added tax and import duties on goods and services purchased. Exceptions to this are goods and services purchased under funding from EU Phare and goods purchased for charitable purposes. Individuals may deduct donations up to 10% from the base taxable income. Legal entities may deduct donations up to 2% of their base taxable income for single gifts exceeding \$50.

USAID will close its Mission in Slovakia in September 2000. Most U.S.-private foundations have also announced that they will begin reducing their activity. While it is expected that EU funds will be available to fill the gap created by the reduction in U.S.-based support, EU support is highly directive, limited to program assistance, and less flexible than the assistance it will be replacing.

Most of Slovakia's registered domestic private foundations are operational rather than grant making, and many were established to fulfill a special purpose or assist a specific institution. Those foundations that make grants are generally re-grantors of funds received from abroad and do not have significant endowment funds. Emerging community foundations are making the first attempts to build endowments and are fostering cross-sectoral co-operation at the local level.

### **ADVOCACY: 1.5**

The Third Sector in Slovakia provides a very strong example of internal cooperation and advocacy. In February 1998, a new civic initiative, Civic Campaign 98 (OK 98), was launched. It was an open, nonpartisan initiative designed to help ensure free and fair elections and citizen oversight over the electoral process in the September 1998 parliamentary elections and the November 1998 local elections. Public opinion polls carried out before the parliamentary elections showed that the voter education efforts of the NGO sector had a direct impact on people's level of awareness of the issues, and involvement in the election process.

As a result of the 1998 election, a new government, substantially more receptive to NGOs and civil society in general, was elected. Almost all Ministries now have an NGO outreach program. The government also created a Commission for Cooperation with the Third Sector. The commission is composed of ½ members nominated by the third sector (i.e. the Gremium and other bodies) and ½ composed of Vice Ministers and representatives of Ministries.

The Gremium for the Third Sector, an elected representative board for the NGO sector, advocates for the interests of the sector and participates in the drafting of and comments on legislation relating to the NGO sector. It has been successful in mobilizing NGO support for large initiatives. One of the major goals of the Gremium for the Third Sector has been the development of a legislative framework, which would support the development of the NGO sector in Slovakia. As a result of NGO advocacy efforts, the Ministry of Justice has established a task force to prepare new NGO laws and amendments, with NGO participation.

Despite the substantial success of Slovak NGOs in advocating for sectoral change, lobbying capacity is not as well developed at the level of specific issues. The sector also needs to maintain the momentum that it gained in the wake of the 1998 elections, and find ways to share the lessons learned from its successful advocacy campaigns. To date, the sector's advocacy efforts are being carried out in response to crisis situations. With a more supportive government in power, the sector needs to develop a more strategic and sustained approach.

### **SERVICE PROVISION: 2.0**

Slovak NGOs can respond much more quickly than government to newly identified needs, particularly in the areas of social services, health and education. The Social Help Act, passed in July 1999, enables the government to authorize NGOs to act on its behalf, by contract, to deliver services. As a result, some NGOs have begun receiving substantial contracts from the government, particularly in the area of social assistance.

While the Social Help Act is a major step forward in encouraging local government/NGO partnerships and cooperation, there are no clear regulations that establish how local governments are to arrange their tenders and how to select from among proposers. There is insufficient transparency in the process.

### **INFRASTRUCTURE: 1.5**

The NGO sector has begun to create its own infrastructure, including regional associations and national umbrella organizations. The Slovak Academic Information Agency - Service Center for the Third Sector (SAIA-SCTS), which has eight branch offices in eight regions throughout the country, provides information, advice and training for NGOs, in addition to acting as a clearinghouse for information on Slovakia's third sector. Other umbrella organizations include: the Slovak Humanitarian Council, the Slovak Catholic Charity, the Youth Council of Slovakia, and the Union of Civic Associations and Foundations (a purely GONGO organization).

SAIA-SCTS and the Slovak Humanitarian Council both publish monthly newsletters for NGOs and SAIA-SCTS maintains a directory of Slovak NGOs. The SAIA-SCTS newsletter, "Nonprofit", is now published in cooperation with the Media Foundation, in order to be able to address a broader public and to professionalize the newsletter.

Slovakia's Third Sector holds an annual nationwide meeting called the Stupava Conference, at which NGOs meet to discuss trends and issues in the sector, establish priorities for the sector's development for the ensuing year, as well as to establish contacts and cooperation within the sector.

### **PUBLIC IMAGE: 1.0**

According to repeated public opinion polls, the image of NGOs among the public is largely positive, despite the recent attempts of the prior HZDS government to cast the sector as oppositional and anti-Slovak.

While social and humanitarian NGOs are perceived as the most useful, people are becoming more aware of the usefulness and importance of NGOs operating outside these sectors. SAIA-SCTS monitors media coverage of the NGO sector on an on-going basis. An analysis of the media coverage from 1995-97 carried out in 1997 showed that NGOs are using the media to inform the public about their activities, the principles under which they operate, and to advocate for the interests of the sector and their constituency.

**TAJIKISTAN**  
NGO Sustainability Index  
1999

**OVERALL RATING: 6.1**

Although the tenuous stability of Tajikistan remains a serious hindrance to the development of the NGO sector in the country, several stronger groups have matured over the last year. A coalition of women's groups is active in promoting free and fair implementation of upcoming elections. A growing number of NGOs are interested in dealing with conflict management issues. Several NGOs have established better relations with government, and NGOs are generally becoming better publicists of their activities.

According to USAID grantee Counterpart Consortium's database, there are now 516 active NGOs in Tajikistan. They are primarily service providers, but there also exist some public policy NGOs and a few legal advocacy NGOs. Women's groups are particularly strong, and some of the ecological groups have remained impressively active.

The biggest problem facing NGOs in Tajikistan is their financial sustainability. The economy is in shambles following the war, and few businesses are sustainable enough to think about charity. Furthermore, even donor funds must be handled through outside banks or in cash due to the tenuous nature of the banking system. Despite having the best tax code in Central Asia, taxation in Tajikistan is virtually not implemented. And, more recently, those NGOs that are more politically oriented in their missions are experiencing harassment from the government.

**LEGAL ENVIRONMENT: 6**

On paper, the legal environment for NGOs in Tajikistan is one of the best in Central Asia. The implementation of rule of law, however, is the most deficient in the region. The political and economic instability of the country creates a situation in which it is difficult to talk about a sustainable legal environment for the NGO sector as a whole. In the period before the November 1999 presidential election, both NGOs and political parties had difficulties in registering their organizations with the Ministry of Justice, and experienced bureaucratic problems in obtaining the requisite government certification stamps and approvals for the documentation of signatures.

**ORGANIZATIONAL CAPACITY: 6**

Most NGOs in Tajikistan have weak organizational capacity. They are led by a handful of strong personalities who, while capable, do not provide for broad membership or democratic governance. Few NGOs have core staff beyond their leaders, and even fewer have a strong volunteer base. They generally lack the ability to build constituencies, and their technical resources are limited, particularly outside the capital city of Dushanbe.

**FINANCIAL VIABILITY: 7**

At present, the NGO sector in Tajikistan is completely unsustainable financially. The majority of NGOs lack diverse sources of funding, and they must survive from grant to grant. Furthermore, the tenuous situation with banking in the country makes it difficult to maintain financial accounts

of any significance. Finally, few NGOs have in place means of financial accounting, taking on accountants on an as-needed basis for project implementation.

#### **ADVOCACY: 6**

The tenuous situation in governance is one of the biggest obstacles to successful advocacy in Tajikistan. It remains difficult to advocate policy issues in the present situation, where the government is neither stable nor in control of the entire country. Despite these problems, there are some active NGOs in Tajikistan that advocate for specific issues with local and national governments. For example, the NGO Khana-I-Umed (House of Hope) was established to address the increasing problem of unregistered marriages in southern Tajikistan, a practice that abrogates women's legal and property rights. This group has opened a dialogue on this issue for the first time, in the Khatlon Oblast.

#### **SERVICE PROVISION: 5.5**

There are a number of NGOs in Tajikistan that provide services. The sustainability of these organizations, however, is tenuous given that they are entirely dependent upon donor funds. As a result, many organizations are willing to change their focus and mission per donors' demands. Despite these problems, service provision NGOs have become better providers for their communities and are beginning to build both clientele and constituencies.

#### **INFRASTRUCTURE: 6**

Unrest and instability in the country critically hamper the NGO infrastructure in Tajikistan. While some NGO resource centers have opened around the country, those outside Dushanbe are difficult to maintain and lack access to resources. While some NGO coalitions have formed, they remain few and far between, and there are no central coordinating bodies for NGOs. While much training is available, it remains mostly in the capital city, and only a handful of intersectoral partnerships exist.

#### **PUBLIC IMAGE: 6**

Media coverage of NGO activity has improved over the last year due to closer relations between independent media and NGOs. The existence and activities of a journalist association and the presence of NGO support centers have also increased awareness in outlying areas. Most people in the country, however, are largely unaware of what NGOs exist, and know little about what NGOs do.

**TURKMENISTAN**  
NGO Sustainability Index  
1999

**OVERALL RATING: 6.6**

The NGO sector in Turkmenistan continues to be one the weakest in the former Soviet Union. The political environment in Turkmenistan is repressive, and the government shows little tolerance for the right to associate or for any organizations that are outside the government's jurisdiction. Despite these problems, 138 active NGOs now operate in the country. The largest NGO sectors are in education, health, ecology, and women's issues. While these NGOs continue to grow through the support of international organizations that provide funding and training, there remain questions as to whether they can continue to mature without the political will of the government to allow them to freely operate.

**LEGAL ENVIRONMENT: 7**

While the new civil code in Turkmenistan has provisions for the proper and timely registration of NGOs, no new NGOs, except perhaps a handful of sporting clubs, have successfully registered in the last two years. Authorities, without proper legal justification, often harass NGOs. In addition, there is virtually no local legal capacity in Turkmenistan that would be capable of or willing to defend the rights of NGOs.

**ORGANIZATIONAL CAPACITY: 6**

The organizational capacity of Turkmenistani NGOs is improving, but it remains limited, given the lack of political will from the government to promote the growth of a non-governmental, non-commercial sector. Most existing NGOs remain very small and lack the ability to plan strategically. Their governance structures are largely undeveloped.

**FINANCIAL VIABILITY: 7**

Turkmenistani NGOs are largely financially unsustainable. They have little hope of attaining support from either the state or businesses, because of the level of negative engagement coming from government. In this respect, Turkmenistani NGOs are almost entirely dependent upon international donors. Given the nascent nature of the NGO sector in Turkmenistan, few organizations have strong financial management systems in place.

**ADVOCACY: 6.5**

Advocacy is almost non-existent in Turkmenistan. The government claims that there is no opposition in the country and does not accept even those NGOs that are not advocacy oriented. Given the government's negative reaction to political agents of change in the past, one must assume that it is dangerous for NGOs to be strong advocates of change in Turkmenistan at this point in time. Small, "non-threatening" advocacy initiatives have occurred at both the local and national level. For example, a consumer right's group, *My Rights*, mobilizes consumer awareness, and has conducted a series of public fora regarding existing legislation. A water-users association

in Dashoguz brings together citizens and local Hyakimlik to discuss water usage and resource matters.

**SERVICE PROVISION: 6**

There are a fair number of NGOs providing social services in Turkmenistan, and many of them are becoming more capable. In 1999, a coalition of seven NGOs joined forces to distribute over \$1,300,000 in humanitarian assistance to vulnerable groups. The growth of this sector, as is the case for the NGO sector more generally, is limited by the lack of governmental recognition of the importance of NGOs as sources of service provision. Local officials in some areas outside of the capital city of Ashghabad recognize the need for non-governmental assistance in the provision of social services. These officials are often concerned that such opinions will be seen unfavorably by their superiors in Ashghabad. Consequently, their support to NGOs is usually limited to passive moral support.

**INFRASTRUCTURE: 6.5**

The amount of resources available to NGOs in Turkmenistan has grown significantly in the last year. Despite these developments, resources are difficult to find outside the capital city of Ashghabad. While some training is available, it is more difficult to access outside the capital, and the training is mostly on a very basic level. While some local governments have given NGOs office space, no strong intersectoral partnerships exist. The initial success of the water users association in Dashoguz demonstrates that further development in this area is possible.

**PUBLIC IMAGE: 7**

There is no independent media in Turkmenistan, limiting the opportunities for NGO coverage. While there have been some instances of positive media coverage of NGOs in the state media, there is at least in one case in which a journalist was reprimanded for writing articles about NGOs. NGOs are virtually unknown among the populace, and the government looks upon them unfavorably. While some NGOs have tried to publicize their work, many have learned that publicity is more likely to bring negative consequences than positive ones.



**UKRAINE**  
NGO Sustainability Index  
1999

**OVERALL RATING: 4**

There are two overriding obstacles to developing a sustainable NGO sector in Ukraine: the critical economic situation, and the lack of a supportive legislative and regulatory environment. Nonetheless, grassroots activism and public support of these organizations seem to be on the rise. According to statistics provided by the General Tax Administration, as of September 1999 there were 25,500 registered NGOs in Ukraine. Although admittedly, a small percentage of the registered NGOs are actually active -- about 3,600 -- they are becoming more visible and effective, often overcoming incredible obstacles in achieving their goals. Improvements in local government acceptance and cooperation will contribute to more national recognition of the societal contributions of NGOs, as will more coherence within the NGO sector itself, as the mechanisms for both their internal organizational and external coalition capabilities fall into place.

**LEGAL ENVIRONMENT: 5**

Due to the parliamentary elections in March 1998, and the presidential elections in October/November 1999, NGO legislation was an even lower priority than usual for the Ukrainian government. A few draft bills on civic associations, not-for-profit organizations, trade unions, and business associations submitted earlier, are still in committees or being developed by expert task groups in Parliament. New laws concerning youth NGOs, NGOs dealing with the disabled, and favorable tax benefits were adopted in 1998 and the first half of 1999. Unfortunately, basic acts like the Civil and Tax codes are far from being adopted and their drafts contain few details regulating NGO activities. On a positive note, the International Center for Not-for-Profit Law (ICNL) has a permanent representative in Ukraine, working closely with both the parliamentary legislative committees. The Counterpart Alliance for Partnership (CAP) program also has an NGO legal specialist who is available to assist and counsel NGOs who would otherwise not be able to find or afford qualified legal assistance.

Administrative acts adopted by the General Tax Administration, Ministry of Justice and a number of other agencies, are the most powerful constraints that allow government to decrease the scope of not-for-profit organizations arbitrarily and unlawfully. These by-laws have a particularly negative impact upon NGOs in small towns and rural areas, which have practically no access to good legal advice or advocacy efforts. Some NGOs, particularly those who are involved in political campaigning (which is allowed under Ukrainian law) or citizen advocacy efforts, face numerous obstacles from tax authorities, fire service, and other administrative agencies that hamper the NGOs' activities.

The most important issues that need to be addressed by new NGO legislation remain the same: granting NGOs special tax status as not-for-profit organizations to enable them to raise funds for their activities, providing NGOs opportunities for legal recourse in the event an NGO is denied registration, and finally, providing tax incentives for private organizations and individuals to donate funds or in-kind contributions to NGOs.

### **ORGANIZATIONAL CAPACITY: 3.5**

The NGO sector in Ukraine has shown some improvement in the area of organizational capacity, and as a result of training and close monitoring, has been able to set new standards in management and financial skills. Comprehensive training is provided in areas such as strategic planning, fund-raising, organizing volunteers, financial management, program implementation and evaluation, building partnerships with local government and business, public relations, etc. As a result of this training, some of the leading organizations, particularly in the area of social services, do have a clearly defined mission statement, many organizations have a full-time director, and perhaps surprisingly, many organizations have a very large corps of volunteers who help carry out the organization's program. Many organizations aim to build constituencies outside of their beneficiaries, but often they lack the capacity to do this effectively due to limited resources.

Although training is provided in NGO management, the economic situation in Ukraine often forces organizations to adjust their mission to donor priorities. Most NGOs are still small, community-based organizations that do not necessarily understand the concept or role of boards of directors. Ironically, some older organizations (pre-Independence/1991) do have quite active boards. The majority of NGOs do not have the resources to afford even the most basic office equipment, unless they receive support from the donor community. The lack of technical equipment is addressed in part by a network of resource centers throughout Ukraine which are supported by Eurasia Foundation (EF), Mott Foundation as well as NGO resource centers of the British Council, all of which provide access to computers, copiers and fax machines.

### **FINANCIAL VIABILITY: 5**

Due to the current economic crisis, it is difficult for even the most advanced and aggressive NGOs to raise local funding, even though NGOs have become more adept at finding support from the various donors active in Ukraine. Active NGOs appear to be able to come up with resources to remain viable, and have responded to increasing competition for grant funds by finding resources for cost-shares and in-kind contributions. A successful Corporate Challenge Grant Program introduced by Counterpart Alliance for Partnership (CAP) in 1998 has been expanded to include a Government Challenge Grant Program, matching funds that NGOs raise from the public sector. Depending upon their specific mission, certain organizations are also able to attract support from membership dues or the general public, but these hardly help cover operating expenses.

The financial sustainability of NGOs remains the most critical issue, because of some of the factors already noted: lack of good financial management skills, the poor legislative environment, and the grim economic situation. Financial management systems in organizations vary. Many do not have a system at all, unless they have received training. NGOs often literally interpret "non-profit" as "no-income", expecting the international donor community to naturally support their "unique" mission. There is little awareness of the opportunities available for income-generation, as well as a lack of affordable and accessible legal advice on reformulating registration documents to allow for such activity. Some business skills and social enterprise development training is being provided to NGOs. They are, however, restricted from earning revenues beyond meager membership dues by legislation, or the often arbitrary decisions of tax authorities.

## **ADVOCACY: 5**

The NGO community has lacked coherency in the past, partly because of its newness, and partly because of competitiveness and an inherent lack of trust. Regional and sectoral cooperation has resulted in some successful advocacy efforts in areas such as the environment, social welfare, public policy and citizens' interests and rights, as NGOs slowly come to realize that there is power in numbers. The Outreach and Advocacy program of the ARD/Checchi Rule of Law Consortium was particularly supportive of such initiatives, and there were other examples of effective campaigns that resulted in victories in public court cases.

The Freedom of Choice Coalition, an umbrella non-partisan NGO coalition of over 270 NGOs working together for free and fair elections as part of democratic reform in Ukraine, is an example of the sector moving towards such coalitions. USAID extensively funded their activities prior to the presidential elections through grants administered by Freedom House and CAP.

On the local government level, there has been some success, specifically with social service NGOs, in part because social service issues are more tangible for the average citizen than democracy-building or economic reform, and it is easier for the government to understand and support these issues. As a result, there are limited examples of city administrations stepping in to "protect" an NGO from hefty fines levied by the tax administration if they see that the organization is performing a worthwhile service to the community. Such examples, however, are the exception to the harassment most NGOs experience.

To the extent that they have been effective in affecting government policy, NGOs have done so almost exclusively on a local government level. On the whole, public opinion still shows that people lack the belief that they can affect change in society. Even though by nature NGOs are likely to take more initiative than the general public, the NGO community has not yet galvanized enough to form a strong lobbying effort on a national level.

## **SERVICE PROVISION: 2.5**

About half of all active NGOs provide basic social services, offering a very diversified "product-line" that to some degree reflects the needs of the community, as well as the priorities of the funding environment. Some NGOs have shown that they have matured by developing goods and services that can be used by a broader constituency. For example, providing workshops and publications on specific issues to local government, similar NGOs, schools, and other institutions. There are also examples of NGOs involved in specific service sectors that have been successful in cost recovery. Examples include substance abuse rehabilitation, where the clientele is not necessarily always low-income and can afford to pay for services; legal protection groups -- although often provided on a pro-bono basis, there are instances when the client is able to pay for high-quality assistance, particularly if this is part of a more encompassing advocacy effort; and e-mail connection services. Local governments are most appreciative of the contribution that NGOs make in their communities. NGOs often fill in the gaps left by underfunded local government agencies, as in the case of social service NGOs, or in attracting new expertise and assistance in other areas. So far, this has not carried over to the national level.

## **INFRASTRUCTURE: 3.5**

NGO Resource Centers serve a vital link to information and technology for NGOs throughout Ukraine. Only one or two of these resource centers have shown promise of becoming self-sustainable, because NGOs are unable to afford to pay for their services. An independent NGO

magazine funded in part by the Eurasia Foundation and the Mott Foundation, highlighting important issues, case studies and donor information, is published periodically by the Innovation and Development Center.

There has been some coalition building on a regional and sectoral basis. NGO partnerships, such as the Freedom of Choice Coalition mentioned above, have only just begun to take root, and exchange technical expertise and foster stronger lobbying efforts. Despite some success with these programs, there is a long way to go to a more stable, constant working relationship among NGOs.

There is a very successful indigenous NGO training organization widely used by many donors. It offers a wide range of basic training and the demand for its services is high. There are areas where this training has leveled out, and some organizations are ready for more advanced and specific courses than are presently available. It would be worthwhile to expand the corps of qualified in-country trainers, including working with other regional centers to meet growing needs, conduct more training-of-trainers and provide more third-country training opportunities and diversity in training providers. There is a good base of training materials available in Ukrainian, but much more is necessary, and they need to be better disseminated.

#### **PUBLIC IMAGE: 4**

Both NGOs and the general public have started taking more initiative in grassroots activism. These are the less-publicized aspects of social progress in Ukraine. NGOs have been successful to some extent in raising public awareness on important social issues such as children's rights, substance abuse prevention and rehabilitation, HIV/AIDS prevention, domestic abuse and trafficking of women, and environmental and legal advocacy issues. In some cases this has spurred some government agencies to form their own working groups on these issues, though such examples are still few and far between. Success stories of NGOs working in these areas have made the public more supportive of these grassroots efforts and encouraged other NGOs to follow suit. Public policy institutes are beginning to play some role, albeit still limited, in building a long-term strategic approach to political thinking in taking the public pulse through opinion surveys, talk shows, etc. and in forming schools of thought independent of specific political affiliations.

NGOs often find themselves in a catch-22 situation. If they are too effective, they may garner public support, but at the same time may bring upon themselves the wrath of the authorities who feel threatened by this new force called the third sector. There is much uncertainty as to what role NGOs should or can play in society and with government. NGOs are still hampered by the bad public image that has been played up by the media, where some NGOs have been featured as money-laundering operations for corrupt businesses or pulpits for political figures. Unfortunately, such abuses have in fact occurred. More effort needs to be put into the positive portrayal of NGO successes and impacts by the media. The NGO Donors Coordinating Group helped coordinate a competition funded by Eurasia Foundation aimed at encouraging journalists to cover NGO activities. Similarly, NGOs need to make a concerted effort to involve the media in their events and activities. Usually after being positively featured in the press, NGOs are able to reap the benefits of the publicity by attracting new sponsors, and therefore are more encouraged to continue such outreach.

**UZBEKISTAN**  
NGO Sustainability Index  
1999

**OVERALL DESCRIPTION: 5.3**

Over the last year, NGO development in Uzbekistan has taken some steps forward and some steps back. In general, both local and national government have begun to relate more favorably towards NGOs. A new national law on Non-Commercial Non-Governmental Organizations (NNOs) has better defined the forms and rights of NGOs, and the local governments in Karakalpakistan and Bukhara show increased interest in the further development of the non-governmental sector in those regions. At the same time, the aftermath of the bombings in Tashkent in February of 1999 has produced a far more oppressive political atmosphere that further limits the ability of NGOs to take a lead role in advocating political change. There has been an extensive crack down on independent media and tougher suppression of opposition parties and individuals. While these events have not resulted in the direct repression of any NGOs or their members, they have created a social climate of greater governmental control and surveillance.

According to a database kept by USAID grantee Counterpart Consortium, there are 441 independent NGOs that are actively working in the country. There are a number of quasi-governmental NGOs (GONGOs) in Uzbekistan, which are better known to the public than are "grassroots" organizations, and vary widely in their capacity. Overall, the NGO community is fairly diverse, but there are certain sectors in which the NGOs are stronger. Women's NGOs in Uzbekistan are particularly active and effective, and there are several fairly strong health NGOs. In addition, NGOs that work in local communities appear to be more effective than those that do not, even if they are often quite small in membership.

Geographically, the majority of NGOs are in Tashkent, but there are growing NGO communities in the Ferghana valley, Samarkand and Bukhara, as well as in Karakalpakistan. There are very few NGOs in the Surkhandariya and Kashkadariya regions in the south of Uzbekistan. The situation for NGOs is often governed by their geographical location, since Uzbekistan varies significantly by region in terms of culture and resources. In areas outside of Tashkent, the attitude of the local government towards NGOs also determines, to a large degree, the ability of NGOs to work effectively.

**LEGAL ENVIRONMENT: 6.0**

A new law on Non-Commercial, Non-Governmental Organizations was passed by Uzbekistan's parliament and signed by the president this last year. This development has improved the legal framework within which NGOs operate in Uzbekistan and paves the way for further legal reforms including potential changes to the tax code to allow for tax breaks to non-commercial, non-governmental organizations. The positive implications of this new law for local NGOs, however, depend upon its proper implementation. As it has not yet been implemented, the concrete positive implications of this legislation remain unknown. The impact on the NGO sector should become more apparent this year as the Ministry of Justice of the GOU provides guidelines for the law's implementation and NGOs begin to re-register and test these guidelines. Recent political developments in Uzbekistan have had a chilling affect on human rights in the country. While violations of human rights in Uzbekistan have not directly affected NGOs, they certainly limit the ability of NGOs to act as open advocates for political change. It should be mentioned that the

affect of political repression on the NGO sector is primarily through self-censorship (i.e. NGOs deciding not to push the envelope).

### **ORGANIZATIONAL CAPACITY: 5.5**

While older Uzbekistani NGOs are becoming more mature in their organizational capacity, almost all NGOs in the country lack a well-defined governmental structure and membership base. The majority of stronger NGOs have a small core staff, paid when project grants allow them to be, and a cadre of volunteers, but any kind of democratic structure for members to take part in decision making is missing. While some NGOs have Boards of Directors, most Boards of Directors are indistinguishable from the NGO's small membership base.

Many NGOs are beginning to develop constituencies by becoming more involved in community development. Perhaps more than in any other country in Central Asia, several Uzbek NGOs have proven themselves to be more effective than GONGOs (as local government officials will themselves often point out) and empowered by their support from communities as a result of their stronger involvement in those communities. While this development is moving many NGOs toward clearer problem-driven missions, it has yet to translate into examples of sustainable organizational capacity. Most strong NGOs have access to computers and other needed equipment, but Internet access is more difficult outside the capital of Tashkent.

### **FINANCIAL VIABILITY: 5.5**

Most NGOs have yet to tap local philanthropy resources, and no legislation promotes philanthropic activities. Nonetheless, several of the stronger NGOs in Uzbekistan have found ways to generate program revenue, on which they must pay taxes. While this is an important development that indicates movement towards more sustainability, without legislation recognizing non-profit status and the altered taxation of program revenue, these creative means of raising revenue cause a growing lack of distinction between NGOs and commercial organizations.

The majority of NGOs in Uzbekistan, with the exception of GONGOs, remain dependent upon grants from foreign donors. With the lack of hard currency conversion in Uzbekistan, this reliance on foreign donors is especially dangerous. Stronger NGOs that have independently sought outside funding from organizations not present in Uzbekistan, such as the MacArthur Foundation, run the risk of losing 75% of the grant money to the conversion process, bank fees, and taxes. The conversion issue also causes severe problems for financial management systems, especially if an NGO must account for the use of hard currency to foreign donors. While there is potential for some governmental contracting with NGOs in the future, this is not presently feasible given the poor state of local administration and their feeble budgets. Many NGOs in Uzbekistan, have been able to leverage office space from their local governments. Islamic traditions of philanthropy have great potential for assisting Uzbekistan's NGO sector in the future, but the NGOs first need to prove their worthiness for charitable donations. Many NGOs operate quietly, concerned that a more public profile may bring the attention of the tax police and other authorities concerned about independent associations of citizens. This tendency may change as more and more NGOs become involved in local neighborhoods and prove themselves relevant to community needs and the "makhalla" councils that are responsible for community projects.

## **ADVOCACY: 5.5**

As long as the issues addressed are not overtly connected to political change, Uzbekistani NGOs are able to advocate on the local level and have found ways to do so successfully. One of the most vivid examples of such advocacy was the effort of the Chirchik Russian Cultural Center in lobbying local government to stop sending grade school children to pick cotton during the traditional harvest period.

Outright political advocacy of structural change, however, is dangerous in Uzbekistan given the history of government treatment of opposition groups. The parliament has to date been a mostly closed and ineffective branch of government and has not met openly with NGOs. While an NGO working group originally drafted legislation for Non-Commercial, Non-Governmental Organizations and lobbied for it with parliament, the law finally adopted was drafted unilaterally by governmental ministries and passed by parliament without the recognition of even those comments by NGOs that were incorporated into the law.

Despite these barriers to advocacy, it is noteworthy that associations of disabled people and women's groups tend to be able to lobby with more acceptance. A Tashkent association of parents of disabled children has worked to lobby legislation to protect the rights of disabled persons, and nascent coalitions of women's groups are forming in Tashkent and Samarkand. Similarly, informal cross-issue coalitions of NGOs appear to be forming in Bukhara, Kokand, and Nukus through the efforts of strong NGO leaders with missions devoted to the promotion of their local communities' livelihoods. Advocacy in Uzbekistan is most often promoted through local personal relationships rather than through any structural mechanisms linking government to civil society. A good example is the work of the Business Women's Association in Kokand whose leader was an important personality in the Communist Party during Perestroika and, therefore, has retained many important personal ties to the local government structure. She is often able to leverage these relationships to promote certain issues to local government.

## **SERVICE PROVISION: 4.5**

Given the limits of NGO advocacy, most NGOs in Uzbekistan focus on some sort of service provision. Many of these groups have become effective and important providers of services that are neglected by the government, such as women's crisis centers and ecological clean-up groups. Unfortunately, the sustainability of these projects is questionable since the majority of these service-providing NGOs remain dependent upon foreign donors for financing. Many of these NGOs, however, have sought out constituencies in local communities and rural areas and several have found ways to generate program revenue through the implementation of limited fee-for-service programs. The types of services provided are diverse, but there are still few NGOs that can realistically implement wide service provision either for government through tenders or for international development organizations. Still, over the last year, there has been some improvement in the skills of health NGOs that have been supported and have received training from USAID's health program as well as from other donors. Likely the strongest health sector service-providing NGO in the country is Perzent in Nukus, which has often had to turn down funding intended to implement foreign assistance in the health area.

## **INFRASTRUCTURE: 5**

Several very strong NGO resource centers exist in Uzbekistan, but where they do, they are mostly the product of a particular individual who has the ability to unite the NGO community around various issues and resources. Such resource centers include the Bukhara Information Center and the

Business Women's Association's Resource Center in Kokand. These centers, which have emerged through individuals' recognition of a community need, have been more effective than those created by donors to serve local NGO communities. One of the few exceptions to this rule is the Counterpart NGO resource center in Nukus which has benefited by a staff that was already heavily involved in the local NGO movement. Most of these resource centers offer training and information as well as access to computers, etc. Generally, where a strong resource center has been established, its largest impact on the NGO sector has been in providing a public space for local groups to learn about each other's work, successes, and problems.

The biggest issue facing the further development of resource centers in Uzbekistan is the development of a strong organizational structure that can ensure the centers' sustainability once their strong leaders are no longer running them. While few issue-based coalitions have formed in Uzbekistan, a couple of regional informal coalitions of NGOs have formed around the NGO resource centers in different regions. These local coalitions have formed around the broader issue of local development rather than around specific issues, and they feed off the general regional patriotism of different communities in Uzbekistan (e.g. Bukhara, Karakalpakistan, Kokand, etc.). In addition, while still rare, there are growing examples of social partnerships between service provision NGOs and local governments. Where these have developed, they have usually centered around the local Khokimiyat or a local "makhalla" council providing an NGO office space to carry out their activities. Examples include the Bukhara Information Center, the Bukhara Association of Pediatricians, and the SATR association of parents of disabled children in Tashkent.

#### **PUBLIC IMAGE: 5**

Media coverage of NGO activity has increased in Uzbekistan over the last year. Despite these developments, the coverage remains limited and the public perception of NGO activity is still only nominally improving. Many people still suspect that NGOs are means for opportunists to make money and actually serve little purpose to society. The NGOs' lack of transparency and their dependency upon foreign donors exacerbate this situation. The lack of transparency that emerges out of fear of the tax authorities and NGO leaders' inability to open their organizations to larger memberships and more democratic governance, does not promote public support of the organizations. Likewise, the NGOs' dependency on foreign donors makes those donors, rather than local communities, the primary clients of the organizations. This situation is understandably creating suspicion that NGOs are merely tools for foreign influence in Uzbekistan and not representative of the needs of local communities.

While NGOs are receiving significantly more press coverage in Uzbekistan, one must question whether press coverage will alleviate this problem in a country where the press itself does not enjoy either freedom or public support. While NGOs should continue to work with journalists to promote their activities, it is likely even more important that their activities touch the lives of an increased number of people. Only by making the results of their activities more pertinent to an increased number of people in local communities will NGOs in Uzbekistan significantly change their public image for the better.



INSERT COUNTRY SCORES CHART

INSERT THREE YEAR SCORING TRENDS CHART

























